

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90

**COMMENTS OF
THE NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION**

The National Rural Electric Cooperative Association (“NRECA”) hereby respectfully submits comments in response to the Federal Communications Commission’s (“Commission”) request for further comment in the above-captioned proceeding.¹ The Commission seeks comments on several issues relating to the implementation of the Remote Areas Fund (“RAF”). Specifically, the Commission seeks comment on defining the areas where Remote Areas funding will be available, setting the consumer subsidy, customer eligibility, measures to keep the program within a defined annual budget, service provider participation, performance requirements, and accountability and oversight.

NRECA welcomes the Commission’s efforts to explore the design of the RAF. As described herein, NRECA recommends that the Commission allow for flexibility in the identification of areas eligible for the RAF. The Association also recommends that the Commission proceed cautiously in its initial implementation of the RAF, utilizing pilot projects in cooperation with state commissions and other state authorities to identify eligible areas. NRECA also believes that an eligible telecommunications carrier’s participation in the RAF should not be unreasonably delayed.

¹ *Connect America Fund*, WC Docket No. 10-90, Wireline Competition Bureau Seeks Further Comment on Issues Regarding the Design of the Remote Areas Fund, DA 13-69 (rel. January 17, 2013) (“Request”).

I. INTRODUCTION

NRECA is the national service organization for more than 900 not-for-profit rural electric utilities that provide electric energy to approximately 42 million people in 47 states or 12 percent of electric customers. In addition to 840 distribution cooperatives, NRECA's members also include approximately 65 Generation and Transmission ("G&T") cooperatives.² Sales by rural electric cooperatives account for approximately 11 percent of all electric energy sold in the United States. Rural electric cooperatives were formed to provide reliable electric service to their owner-members at the lowest reasonable cost. Rural electric cooperatives are dedicated to improving the communities in which they serve. Management and staff of rural electric cooperatives are active in rural economic development efforts. NRECA's members rely on a mix of wireless and wireline telecommunications services to support and maintain their rural electric generation, transmission and distribution systems. Rural electric cooperatives depend on robust telecommunications infrastructure and services to support their smart grid and other operational applications and, in some cases, to offer broadband services to their members in order to support their commitment to spur economic development in the communities in which they serve.

II. COMMENTS

A. The Commission Should Allow Flexibility for Identification of Areas Eligible for the Remote Areas Fund

The Commission seeks comment on administratively feasible ways to identify areas where consumers would be eligible for the Remote Areas Fund.³ NRECA believes that whether the Commission utilizes a cost model for every state and territory, the National Broadband Map data, or some other data source, the Commission should take into consideration the unique geographic characteristics of locations for identification of areas eligible for the RAF. As the Commission is

² The G&T cooperatives generate, purchase, and transmit power to the Distribution Cooperatives.

³ Request at paras. 4-7.

keenly aware, there are many rural regions for which telephone and broadband service must be subsidized because the cost to serve customers located in those regions is otherwise prohibitively high. Americans living and working in the most remote areas of the nation must be able to obtain affordable broadband. Broadband connectivity is a vital component for economic development in these areas.

B. The Commission Should Proceed Cautiously with Implementation of the RAF

NRECA urges the Commission to proceed cautiously with the implementation of the RAF until, for example, there exists state-specific broadband cost models for every state and territory or until the National Broadband Map data is known to be robust and reliable. The Association recommends that the Commission consider initially implementing the RAF utilizing pilot projects, working in cooperation with state commissions and other state authorities to identify eligible areas. State entities have a unique and informed understanding of funding issues and ability to identify where unserved locations, competitively served broadband, and remote areas might exist. The Commission should also continue to obtain information from state commissions as to what types of alternative technologies might offer the best means of reaching consumers who may otherwise not have access to broadband services.

The Commission asks whether there should be process to contest the classification of areas as unserved or served on the National Broadband Map before the RAF is provided.⁴ It is our view that while implementation of a process to contest the classification of areas unserved or served may serve a useful purpose, the process should not be the linchpin of whether implementation of the RAF is initiated. The process should be cost effective and expedient but should not otherwise unnecessarily delay implementation of the RAF.

⁴ Request at para. 6.

C. Eligible Telecommunications Carrier's Participation in the RAF Should Not Be Unreasonably Delayed

The Commission seeks comments regarding whether it should impose requirements to standardize the required showings for designation as an eligible telecommunications carrier to participate in the RAF, the associated application processes, criteria and review timeframe.⁵ NRECA believes that the Commission should not impose substantive obligations on broadband providers relating to ETC's participation in the RAF. Instead, to encourage participation in the RAF, the Commission should require that such requests be deemed granted within thirty (30) days of their filing unless the relevant designating entity finds that the ETC has not demonstrated compliance with the criteria within that timeframe.

III. CONCLUSION

NRECA applauds the Commission's efforts to explore the design of the RAF. NRECA believes that flexibility in the Commission's identification of areas eligible for the RAF is required. It also recommends that the Commission proceed cautiously with implementation of the RAF and that an ETC's participation in the RAF should not be unreasonably delayed.

Respectfully submitted,

**NATIONAL RURAL ELECTRIC
COOPERATIVE ASSOCIATION**

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⁵ Request at para. 45.